



INVESTMENT DEVELOPMENT
AUTHORITY OF **LEBANON**

Presidency of the Council of Ministers



ONE STOP SHOP (OSS) APPLICATION FORM
UNDER INVESTMENT LAW 360/2001
NEW PROJECT



REQUESTED DOCUMENTS

01. Application Form

NOTE: The application form must be signed & sealed by the authorized person who officially represents the company or by the party holding a Power of Attorney representing the owner. In accordance with a certified authorization by the notary that qualifies him to represent IDAL. The authorized person is ought to sign each sheet of the application form.

02. Feasibility Study

03. Environmental Impact Assessment

04. Preliminary Project Design

05. Land Registry Certificate and Planning & Classification Certificate

06. Certified copy, stamped by the Commercial Register and not withstanding a period of one month from the date of application submission, of the:

- Company By-Laws with all amendments
- Incorporation Certificate
- Company Formation Deed
- Commercial Circular
- Minutes of meeting for the nomination of the General Director (in case of a Limited Liability Company)
- Minutes of the meeting for the nomination of the Chairman, Board of Directors and the General Director (in the case of a Joint Stock Companies)
- A comprehensive statement of the commercial register

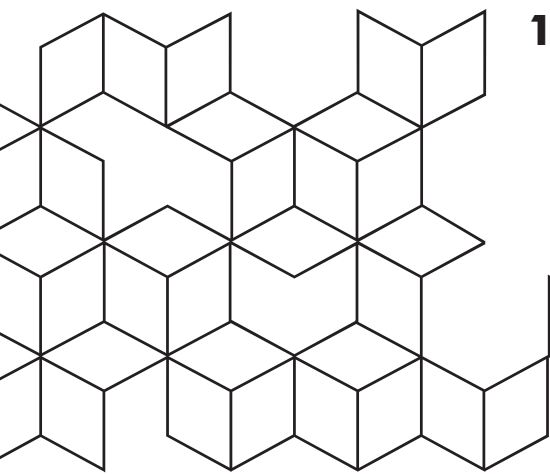
07. Copy of the Identity Card of the person authorized to sign on behalf of the company

08. Copy of the company registration certificate at the Ministry of Finance

09. Copy of the purchase contract of the land as registered at the Real Estate Registry OR Lease Contract (10 years minimum)

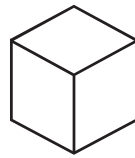
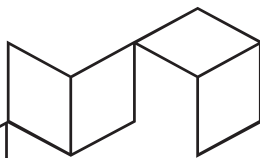
10. A letter specifying the rules of arbitration to be applied upon any arising conflict between the investor and the Lebanese Government represented by the Investment Development Authority of Lebanon (IDAL), regarding the interpretation or implementation of the Package Deal Contract according to Article 18 of Investment Law No. 360, dated 16/08/2001, and Decree No. 9310, dated 21/12/2002. This request shall be subject to the approval of IDAL's Board of Directors. (This document is only attached with the projects that request the Package Deal Contract (PDC))

NOTE: All documents must be either originals or certified copies.



1. APPLICATION FORM

»» TO SUBMIT



If interested to benefit from incentives provided by Investment Law No. 360/2001, kindly provide the information requested below to enable us to evaluate your investment project and consider the availability of the required terms and conditions. All required documents listed in the checklist must also be submitted as part of the application.

A. COMPANY AND PROJECT OVERVIEW

Name of the company _____

Registration number _____

Ownership structure _____

Address

Street _____

City _____

Country _____

P.O. Box _____

Telephone _____

Fax _____

E-Mail _____

Name of the project _____

B. SECTOR OF OPERATION

Sector

<input type="checkbox"/> Industry	<input type="checkbox"/> Information Technology
<input type="checkbox"/> Agriculture	<input type="checkbox"/> Technology
<input type="checkbox"/> Agro-Industry	<input type="checkbox"/> Telecommunication
<input type="checkbox"/> Tourism	<input type="checkbox"/> Media

C. PROJECT OVERVIEW

Give a brief description of the project's purpose:

D. LOCATION & BUILT UP AREAS

Plot number(s) _____

City _____

Caza _____

Muhafaza _____

Is the project located in the leased property? Yes No If No, please proceed

Area of the land(s) in Sqm _____

Underground built up area in Sqm _____

Over ground built up area in Sqm _____

Total built up area in Sqm _____

E. PROJECT INVESTMENT SIZE (where applicable)

Please note that the Investment Value is not equal to the working capital of the company. It is a reflection of the capital investments that will be made by the company to ensure its operation.

Total Investment Value (USD) _____

The total investment value will include:

- 1- Land value,
- 2- Land improvement,
- 3- Construction cost,
- 4- Cost of Machinery and Equipment,
- 5- Cost of Intangibles, for ICT Projects (includes software cost).

1. Land Value (USD) _____

The land value includes:

- 1- The purchase amount as registered at the Real Estate Register;
- 2- The registration fees and expenses related to the purchase transaction and the Deed of Ownership;
- 3- Demolition expenses for existing structures, if applicable.

2. Land Improvement Cost (USD) _____

Land improvement includes all expenditures incurred in laying out secondary roads within the project area, building car parks, or executing other infrastructural works for the purpose of the project.

3. Construction Cost (USD) _____

- The construction cost entails all costs of construction works, including those of shops, offices, plants, and warehouses;
 - If a standing structure is purchased as part of the land deal, incidental costs such as registration fees at the Real Estate Directorate, expenses related to the purchase operation, and the Real Estate Deed are also included in the total cost;
 - Expenditures for the rehabilitation and refurbishment of an existing building is also added to the cost of construction.
 - If the standing structure is built, its cost will include: the purchase sum as registered at the Real Estate Register, and the expenses paid by the owner such as engineers fees, the building permit costs and the drilling costs. In addition, the cost of the interests related to the project funding are also included in the cost of the asset in case the preparation of the building took a long period of time. However, this period should not exceed 4 years.
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4. Cost of Machinery and Equipment (USD) _____

- The cost of machinery and equipment includes the actual purchase price, taxes (excluding VAT), freight charges, and insurance. It also includes expenditures related to the assembly, installation, and testing of machinery and equipment used.
- All types of vehicles are eligible for inclusion under machinery and equipment costs. Expenditures on insurance coverage for vehicles is excluded.
- Cost of Intangibles (USD) _____
* Intangibles include patents, softwares, etc.

Note: projects in the **Technology** sector are required to allocate at least 3% of their revenues from sales on Research & Development, per year.

F. NUMBER OF JOBS CREATED

Number of Lebanese Workforce _____

Number of Foreign Workforce _____

Total Number of Workforce _____

- All employees should be registered with the National Social Security Fund (NSSF);
- Starting from the commencement of operation, job opportunities should be created within a period of four years;
- The investment project should maintain a local labor force, employing at least two Lebanese nationals for each foreigner employed.

Note: ICT projects must ensure that at least 60% of their workforce is skilled (i.e. possesses at least a university degree).

G. APPLICATION CATEGORY

SCHEME 1

Investment Project by Zone

Zone A

Zone B

Zone C

SCHEME 2

Package Deal Contract (PDC)

H. REQUESTED INCENTIVES, EXEMPTIONS, AND REDUCTION UNDER INVESTMENT LAW 360

SCHEME 1: INVESTMENT PROJECTS BY ZONE (IPZ)

Applicable to All Zones

- Work Permits for various categories**, exclusively needed for the project, provided that at least two Lebanese nationals are employed for each foreigner. All employees should be registered with the National Social Security Fund.

ZONE A

- 100% exemption from corporate income tax for two years** provided that the company's shares are listed in the Beirut Stock Exchange. In this case, the effective negotiable shares should be no less than 40% of the capital of the company.

ZONE B

- 50% reduction on corporate income tax and taxes on project dividends, for a period of five years.** The reduction shall be applicable as soon as excavation works for the project commence, in accordance with the provisions of the Law.
- 100% exemption from corporate income tax for two additional years** provided that the company's shares are listed in the Beirut Stock Exchange. In this case, the effective negotiable shares should be no less than 40% of the capital of the company.

ZONE C

- 100% exemption from corporate income taxes and taxes on project dividends, for a period of 10 years.** The exemption shall be applicable as soon as excavation works for the project commence, in accordance with the provisions of the Law.
- 100% exemption from corporate income tax for two additional years** provided that the company's shares are listed in the Beirut Stock Exchange. In this case, the effective negotiable shares should be no less than 40% of the capital of the company.

SCHEME 2: PACKAGE DEAL CONTRACT (PDC)

- 100% exemption from corporate income taxes and taxes on project dividends, for a period of 10 years.** The exemption shall be applicable as soon as excavation works for the project commence, in accordance with the provisions of the Law.
- 100% exemption from fees related to land registration** at the Land Registry, to annexation, sub-division, mortgage and registration of lease contracts at the said Registry for estates on which the project will be built, provided that the execution of the project shall take place within five years from the date of registration of the land at the Land Registry. Should the investor default in implementing the project, he/she will be liable to pay a penalty equivalent to three times the fees that were originally due;
- Up to 50% fee reduction on Construction Permits** required for the building of facilities necessary for the execution of projects;
- A 50% fee reduction for Work and Residence Permits for foreign employees** (regardless of their category and depending on the number of permits required), as well as a reduction by half the value of the certificate of deposit entrusted to the Housing Bank;
- Work Permits of all categories** provided that the project benefiting of the incentive package deal preserves the interests of the local labor force by employing at least two Lebanese nationals for each foreign employee, and registering them with the National Social Security Fund;
- Exemption of Joint-Stock Companies**, aiming at implementing and/or managing an investment project, from the obligation of having Lebanese nationals or members of the legal profession on their Board of Directors.

I. REQUIRED PERMITS, LICENSES AND ADMINISTRATIVE APPROVALS RELATED TO THE PROJECT (TO WHICH THE INVESTOR ASKS FOR IDAL'S ASSISTANCE) (if applicable)

- Construction Permits _____
- Occupancy Permits _____
- Operational Licenses _____
- Work Permits _____
- Residence Permits _____
- Others: _____

K. CONTACTS FOR REFERENCE AND FOLLOW-UP

Permanent Contact Person

Name _____
Title _____
Address Street _____
City _____
Country _____
P. O. Box _____
Mobile _____
Telephone _____
Fax _____
E-Mail _____

Chairman/CEO/General Manger *(If different from above)*

Name _____
Title _____
Mobile _____
Telephone _____
Fax _____
E-Mail _____

Note:

The Permanent Contact Person is the company's main reference for IDAL's staff. He/She will be contacted throughout the application process in case of missing documents, or to inform the company on the status of the application. Personal contact information is therefore needed.

Personal contact information of the Chairman, Company CEO or General Manager is also required in case of official letters or invitations to be sent to the company.

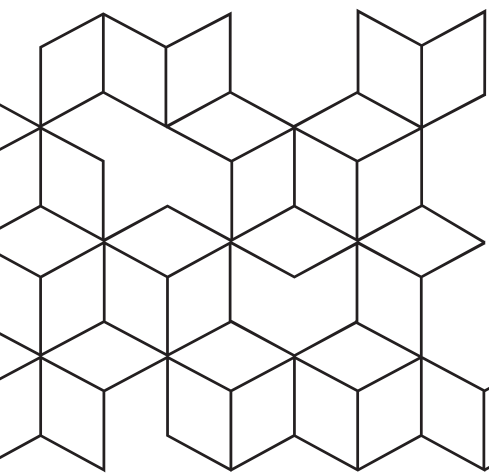
Applicants are kindly required to fill all the above entries.

Name _____

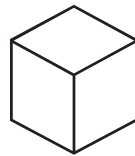
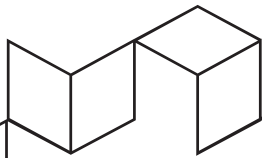
Position _____

Signature _____

Date _____



2. ANNEXES



I. TEMPLATE FOR FEASIBILITY STUDY

1. EXECUTIVE SUMMARY

2. COMPANY & PROJECT OVERVIEW

- a) Objectives of the Company & Investment Project
- b) Project Location
- c) Company's Business Model
- d) Company's Organizational Structure & Staffing Plan
- e) Project's Products/Services
- f) Competitive Advantage
- g) Project Schedule

3. MARKET RESEARCH

- a) Market Overview
- b) Competition & Differentiation
- c) Exports

4. SWOT ANALYSIS

5. FINANCIAL PLANS

- a) Initial Investment Costs
- b) Operational Costs & Revenues
 - The financial structure: The ratio of the shareholders' contribution, the ratio and the types of the project's financing loans
 - Annual Cash Flow
- c) Financial Analysis
- d) Ratio Analysis
 - Net Present Value (NPV)
 - Internal Rate of Return (IRR)
 - Payback Period (BPB)

6. SOCIO-ECONOMIC IMPACT

7. CONCLUSIONS & RECOMMENDATIONS

8. ADDITIONS FOR RESEARCH & DEVELOPMENT (R&D) CENTERS

II. DEFINITION AND SPECIFICATION OF THE FEASIBILITY STUDY COMPONENTS

1. EXECUTIVE SUMMARY

The executive summary provides an overview of the content of the feasibility study. It is an important component of the entire study, since it gives a first glimpse of the investment project. A typical executive summary usually contains background information on the project, a concise analysis of the project's financial feasibility, and ends with main conclusions. It is furthermore as straight to the point as possible.

2. COMPANY & PROJECT OVERVIEW

a) Objectives of the Company & Investment Project

This section should include a **summary of the company's profile**, together with a description of the new **investment project's** activities and components. The vision, mission and motto of the company could be mentioned together with its objectives and goals.

b) Project Location

This paragraph must specify the project's location, plot number(s), and surface area. It must also state the reason(s) for choosing the location. A positioning map is required.

c) Company's Business Model

In this section, **the legal structure of the company** should be defined (Joint Stock, Limited Liability, Partnership, Offshore, or Holding). If the company is affiliated or owned by any other company, the study should include a brief description of the latter and the range of products and services it offers. Furthermore, the company's **share structure** should be established, and should include information on the different shareholders along with their respective shares in the company. The section could present a professional and educational background of each shareholder, his/her position in the company, and any other notable information worth mentioning.

d) Company's Organizational Structure & Staffing Plan

The company's organization structure should be presented in the form of a **flow chart**, clearly highlighting the relationships between staff members.

The staffing plan is essential for the assessment of the project. The number of staff expected to be employed should be noted, along with detailed explanations on the constituents of the labor force (skilled versus unskilled labor¹). **It is recommended to attach a table** showing the different job positions, bundled into categories, with their corresponding monthly wages, if possible.

For **Research & Development related projects**, the number of employees involved in R&D should be clearly highlighted.

Required Document: *Staffing Schedule, showing additions to employment in each department, staff positions and number, over a period of ten years.*

e) Project's Products/Services

This section provides a **high level description of the products and/or services** which will be introduced by the new investment project. It is important that this description captures the most significant aspects of the products and/or services, their benefits to consumers and corresponding prices, together with details on the production process. For existing companies, the additions to present products/services must be highlighted.

f) Competitive Advantage

This section should explain in brief **the use and need of this project to the market**, in addition to its benefits to the local economy. This paragraph should be as concise as possible, since a more detailed one will figure in the 'Market Research' section.

g) Project's Schedule (Construction & Operation)

When is the construction of the project intended to start?

When is operation scheduled to begin?

¹ Unskilled laborers are considered employees that perform tasks which do not require an advanced educational background, i.e. a university degree.

3. MARKET RESEARCH

a) Market Overview

This section should include:

- A full description of the **demand and existing marketplace for the products/services** offered by the project. Prevalent market trends and facts should be illustrated (sector overall growth rate, projected growth rates, total employment level, etc.);
- The **target market** for the products/services (Who is intended to buy the products/services offered);
- **The actual and predicted size of the market on a ten-year basis;** (this will help in assessing the potential of the selected market in the future).
- **The company's share in the market on a ten-year basis as well;** this will determine the company's contribution to the market, hence measuring its impact on the sector.

b) Competition & Differentiation

The project's **competitors** (local and foreign) should be presented. Moreover, the **differentiation** plan of the project should be defined, when applicable. It should explain why the company's products/services would be appealing to customers, and why they are competitively advantageous.

c) Exports *(If applicable)*

Will the project be exporting any of its products/services? If yes, the share of revenues from exports to total revenues should be specified. If possible, it would be interesting to have projections in the value of exports over a number of years. For existing project, past export performance is required (year-on-year growth rates).

4. SWOT ANALYSIS

This part of the feasibility study evaluates the **Strengths, Weaknesses, Opportunities and Threats of the project** meant to assess the formation of the project. Strengths represent the characteristics of the project that give it an advantage over others. Weaknesses (or Limitations) show the disadvantage of the project relative to others. Opportunities embody the external chances to improve performance (e.g. make greater profits) in the environment. Finally, Threats represent the external elements in the environment that could cause trouble for the business or project. The SWOT analysis should take the form a table divided into four parts.

5. FINANCIAL PLAN

The financial plan provides a description of the project's current and future financial state. Financial projections are key tools for identifying the project's feasibility. There are many ways to present these projections since different calculations and assumptions could be undertaken. **IDAL requires that all financial projections be made on a ten-year basis.**

a) Initial Investment Costs

This section should list the cost components of the total investment size of the project, which include (1) cost of land, (2) land improvement cost, (3) construction cost, (4) cost of machinery and equipment, in addition to intangible costs.

Required Document:

- **Initial Investment Cost Breakdown Table**, specifying all of the above mentioned.
- **List & Value of Existing Fixed Assets & Equipment** with their corresponding values;

b) Operational Costs & Revenues

Required Documents:

- **Projected Income Statement;**
- **Projected Revenues Sheet**(Detailed);
- **Projected Operational Costs Sheet** (Detailed).

c) Financial Analysis

Required Documents:

- **Projected Cash Flow Statement;**
- **Funding Sources**, share of equity/debt in total financing;

d) Ratio Analysis

Required Ratios:

- **Net Present Value** (NPV);
- **Internal Rate of Return** (IRR);
- **Payback Period;**
- **Optional ratios:** profitability ratios, liquidity ratios, efficiency ratios, and cash-flow ratios.



IDAL REQUESTS THAT ALL PROJECTIONS BE MADE ON A TEN-YEAR BASIS OR ELSE THE APPLICATION WILL NOT BE PROCESSED.

6. SOCIO-ECONOMIC IMPACT

The assessment should analyze **the impact of the project on the economy in general**, basically it is required to calculate the direct and indirect jobs created by the project and their contribution to the sector current jobs. Furthermore, the impact of the project on the development of professional skills should be taken into account. In other words, the section should evaluate the forward and backward linkages of the project, its spillover effects on other sectors, the contribution to GDP, the annual output of the project and its contribution to the annual output of the sector, the direct and indirect jobs generated along with the quality of the labor force (skilled, unskilled or semi-skilled), and the impact on exports, tourism, etc. Moreover, any transfer of technology and/or skills should be mentioned as it would be highly welcomed.

7. CONCLUSIONS & RECOMMENDATIONS

This section should summarize the findings of the feasibility study and explain why the course of action to be undertaken by the project is recommended. It may include a description of the pros and cons of the project, and should be brief since most of the detail is included elsewhere in the document.

8. ADDITIONS FOR RESEARCH & DEVELOPMENT (R&D) CENTERS

R&D Projects should include the following additional information in their feasibility study:

- Scope of research and development process;
- Technical feasibility research;
- High level outline of the scientific or technical work;
- Detailed description of planning and management of the work;
- Determination of the resources for R&D;
- Schedule and estimation of development process;
- Number of researchers, including their qualifications and experiences.

III. TEMPLATE FOR ENVIRONMENTAL IMPACT ASSESSMENT

It needs to include the following elements:

1. EXECUTIVE SUMMARY

2. DESCRIPTION OF THE AREA AROUND THE PROJECT:

- Physical environment;
- Socio-economic environment.

3. ENVIRONMENTAL MANAGEMENT PLAN TO ALLEVIATE THE NEGATIVE IMPACT OF THE PROJECT DURING THE CONSTRUCTION PHASE:

- Summary of important environmental impacts;
- Technical details of measures undertaken to mitigate negative impacts (conditions of implementation, design, details of equipment used, operational instructions, etc.);
- Safeguarding the environment and the sustainability of natural resources
- Environmental impact of the above mentioned measures;

4. ENVIRONMENTAL MANAGEMENT PLAN TO MITIGATE ANY NEGATIVE IMPACT OF THE PROJECT DURING OPERATION:

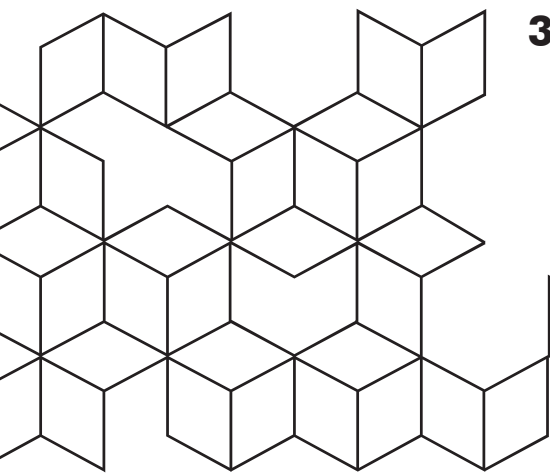
- Summary of important environmental impacts;
- Technical details of measures undertaken to mitigate negative impacts (conditions of implementation, design, details of equipment used, operational instructions, etc.);
- Environmental impact of the above mentioned measures;

5. COST OF THE ENVIRONMENTAL MANAGEMENT PLAN (OPTIONAL)

6. CONCLUSION AND RECOMMENDATION

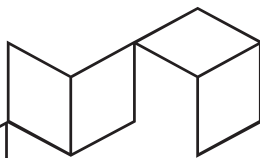
IV. GUIDELINES FOR PROJECT DESIGN

1. A topographic map showing the relative levels of the land with respect to the roads or sea, and other lands (level curves), as well as the location and type of trees (if present), with photographic pictures of the site and its peripheries with a diameter of 500 meters;
2. A mass plan showing the different areas included in the project, their size, and their relation with one another;
3. Floor plans in an acceptable scale showing all components of the building(s) with respect to their function and use.
4. Two Sections at least showing the total number of floors, and their levels.
5. Two Elevations at least.
6. Plans showing the distribution of machinery and production lines.
7. A map showing the accessible roads, the landscape, circulation flow and car parks, and all alleyways leading to the parking lot;
8. Project perspectives.



3. CHECKLISTS

»» TO SUBMIT



FEASIBILITY STUDY CHECKLIST

Note: the checklist must be completed and submitted along with the application file.

MAIN STRUCTURE

- 1. Executive Summary
- 2. Company & Project Overview
 - Staffing Schedule*
- 3. Market Research
- 4. SWOT Analysis
- 5. Socio-Economic Impact
- 6. Financial Plan
- 7. Conclusions & Recommendations
- 8. Additions for R&D Centers (If Applicable)

FINANCIAL PLAN STATEMENTS

Note: the checklist must be completed and submitted along with the application file.

1. Initial Investment Cost Breakdown Table
2. List & Value of Existing Fixed Assets & Equipment
3. Projected Income Statement
 - The financing structure
 - The cash flow for the project and the expected profit
4. Projected Revenues Sheet (Detailed)
 - The Net Present Value of the project (NPV)
 - The Internal Rate of Return (IRR)
 - The payback period
5. Projected Operational Costs Sheet (Detailed)
6. Projected Cash Flow Statement
7. Funding Sources



Projections on a Ten-Year Basis

Date of Completion _____

Full Name _____

Position _____

